

ALLIANCE DATA SYSTEMS CORP
 Form 4
 October 28, 2015

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

OMB APPROVAL
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 HEFFERNAN EDWARD J

2. Issuer Name and Ticker or Trading Symbol
 ALLIANCE DATA SYSTEMS CORP [ADS]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)
 Director 10% Owner
 Officer (give title below) Other (specify below)
 President and CEO

(Last) (First) (Middle)
 7500 DALLAS PARKWAY, SUITE 700
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 10/26/2015

PLANO, TX 75024

4. If Amendment, Date Original Filed (Month/Day/Year)

6. Individual or Joint/Group Filing (Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common Stock	10/26/2015		M ⁽¹⁾	21,482 A	\$ 43.01 247,020	D	
Common Stock	10/26/2015		S ⁽¹⁾	10,939 D	\$ 294.564 236,081	D	
Common Stock	10/26/2015		S ⁽¹⁾	8,694 D	\$ 295.217 227,387	D	
Common Stock	10/26/2015		S ⁽¹⁾	1,849 D	\$ 225,538 ⁽⁵⁾ 296.067	D	

(4)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 43.01	10/26/2015		M ⁽¹⁾	21,482	⁽⁶⁾ 02/13/2016	Common Stock	21,482

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HEFFERNAN EDWARD J 7500 DALLAS PARKWAY, SUITE 700 PLANO, TX 75024	X		President and CEO	

Signatures

Cynthia L. Hageman, Attorney
in Fact 10/28/2015

____Signature of Reporting Person

____Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Cashless exercise of employee stock options due to expire on February 13, 2016, ten years after such options were granted.
- (2) The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from \$293.88 to \$294.87, inclusive. The reporting person undertakes to provide to Alliance Data Systems Corporation, any security holder of Alliance Data Systems Corporation, or the staff of the Securities and Exchange Commission, upon request, full information regarding the

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number of shares sold at each separate price within the ranges set forth in footnotes (2), (3) and (4) to this Form 4.

(3) The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from \$294.88 to \$295.84, inclusive.

(4) The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from \$295.88 to \$296.20, inclusive.

The total number of securities beneficially owned includes: (a) 177,872 unrestricted shares; (b) 1,893 unvested units from an award of 5,567 time-based restricted stock units granted 2/21/13; (c) 10,564 unvested units from an award of 31,068 performance-based restricted stock units granted 2/21/13; (d) 2,514 unvested units from an award of 3,751 time-based restricted stock units granted 2/18/14; (e) 13,624 unvested units from an award of 20,333 performance-based restricted stock units granted 2/18/14; (f) 3,814 unvested time-based restricted stock units granted 2/17/15; and (g) 15,257 unvested performance-based restricted stock units granted 2/17/15.

(6) This is an employee stock option grant that is fully vested.

(7) The total number of derivative securities beneficially owned includes an option for 15,223 shares granted 2/21/07, which is fully vested.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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